

**CITY COUNCIL MEETINGS OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY,  
TEXAS, JULY 1, 2008**

The City Council of the City of Leon Valley, Texas, met on the 1<sup>st</sup> day of July 2008 at 7:03 p.m. at the Leon Valley City Council Chambers, at 6400 El Verde Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

**REGULAR CITY COUNCIL MEETING - 700 P.M.**

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**Call to order and Pledge of Allegiance.**

Mayor Riley called the meeting to order at 7:03 p.m. and asked that the minutes reflect that the following members of Council were present: Manea, Reyna, Baldrige, and Dean. Mayor Riley announced that Councilmember Nelson had a family commitment and would be unable to join the meeting.

City Manager Lambert, City Secretary Feutz, Assistant Public Works Director Stolz, Fire Chief Irwin, Administrative Assistant Gomez, and Alternate City Attorney Onion were also present.

Mayor Riley welcomed Leon Valley citizens and guest speaker, Joe Newman from Bastrop, and students from Mr. Lambert's Northwest Vista College's Government Class.

Mayor Riley asked government student John Reyna to lead the assembled group in the Pledge of Allegiance.

**Citizens to be heard and time for objections to the Consent Agenda.**

Mayor Riley asked Councilmembers if they wished for anything on the Consent Agenda to be removed from that agenda for further discussion. Hearing no requests, Mayor Riley then asked if anyone in the audience wished to address the Council.

Seeing no one come forward for the "Citizens to be heard" portion of the meeting, she asked for a motion to approve the following Consent Agenda items:

**Consent Agenda**

**Consider approval of minutes of the City Council Meetings of June 17, 2008 (Feutz).**

**Consider M&C # 07-01-08 - a request to approve the proposed Bexar Metro 9-1-1- Network District's Fiscal Year 2009 Budget (Lambert).**

**Consider M&C # 07-02-08 - a request to approve the Bexar Appraisal District Budget for 2009 (Lambert).**

**Consider M&C # 07-04-08 with attached ordinance - a request to repeal and replace Section 29.204 "Emergency Water Use Reduction", City Code, Chapter 29 "Water and Wells" to update the City's Drought Management Plan in accordance with the Edwards Aquifer Authority's Stage Limits and to provide for penalties of not less than twenty-five dollars (\$25.00) nor**

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**more than two thousand dollars (\$2,000) with each day's violation  
constituting a separate offense and allowing compliance to be sought  
through injunctive relief in district court (Stolz).**

**Consider Ordinance appointing an Alternate Member to the Zoning  
Commission (Mayor Riley).**

A motion was made by Councilman Reyna, seconded by Councilman Dean, to approve the Consent Agenda as presented. Upon unanimous vote, Mayor Riley announced that the motion carried and the Consent Agenda items were approved.

**Regular Agenda**

**Presentation by Joe Newman, President and CEO of the Bastrop Economic Development Corporation on a Section 4B sales and use tax (Councilman Reyna/Councilman Manea).**

Mayor Riley welcomed Joe Newman from the Bastrop Economic Development Corporation and informed the audience that Councilmen Reyna and Manea had requested that this item be on the agenda.

Councilman Reyna addressed Council stating that Mr. Newman is considered the grandfather of the economic development legislation for many years and is considered the "expert" on economic development sales tax. Councilman Reyna stated that he and Councilman Manea had heard Mr. Newman previously when he spoke to the Citizens Neighborhood Progress Committee (CNPC) last year and felt that he would be able to provide additional insight into the economic development 4B sales tax issue.

Mr. Newman provided a brief history of the 4B sales tax for economic development in Texas. He explained that the 4B sales tax could be in increments of 1/8 of one cent, 1/4 of one cent, 3/8 of one cent or 1/2 of one cent, as long as the local sales tax does not exceed two cents. Mr. Newman stated that 556 cities in Texas have passed this type of sales tax. He stated that the average Texan spends \$4200 per year on items that are subject to local sales tax. He stated that of the \$4200 with a 1/4 cent sales tax this totals \$10.50 per year in sales tax or less than three cents (\$0.03) per day. Mr. Newman stated that if the shoppers in Leon Valley are like those in Bastrop, 65% of the local sales are from people who live outside of the city limits, but they use the city's roads, police, and fire services. Mr. Newman stated that Bastrop has a population of 8200 residents and the sales tax has helped his city greatly. Mr. Newman stated that the 1/2 cent sales tax in Bastrop yields about \$1.2 million per year for Bastrop.

Mr. Newman described some of the projects that the sales tax has helped to develop in Bastrop. He described that by 2025 it is expected that between the triangle of Dallas, San Antonio and Houston, 70% all Texans will live in that triangle and he encouraged Leon Valley to get ready for that growth.

He provided the Council with a list of all cities who have approved the 4B sales tax and a list of projects that Bastrop has done with their sales tax. He stated that both Georgetown and Brenham succeeded on their fourth try for this tax. He stated that most of the Cities in our area have 8.25% sales tax rate and Alamo Heights and Helotes have a sales tax rate of 7.75%.

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Mr. Newman encouraged ballot language to be as broad as possible and to include maintenance and operations of projects they wish to have the public consider. He described opportunities that Bastrop has been confronted with that they were able to provide some incentives with the sales tax, but only because they had not limited themselves with very specific projects on the sales tax election ballot.

Mr. Newman stated that there are several ways to repeal or end the 4B sales tax. He stated that there are also safeguards in the tax law that when ballot projects are complete, the tax is ordered to be stopped; however, if you vote a tax out, the tax will stay in effect until debt is paid off and the Texas Comptroller is notified. He provided the example that he has \$5 million in debt for infrastructure projects and if his citizens petitioned to vote the tax out or the Council orders an election, the tax will continue until the debt is paid.

Mr. Newman encouraged the City to do as many projects as they can and to consider the 1/4 cent sales tax. He stated that if you buy a \$100 pair of boots, you will pay an extra \$0.25 with that 1/4 cent economic development sales tax.

Mr. Newman stated that there are safeguards in the process for using the Economic Development sales tax. He stated that although Council appoints an Economic Development Corporation and can appoint members of Council to also serve on the Corporation. When the Economic Development Corporation wants to fund a project they must have a public hearing, and if the project will cost more than \$10,000, they must also get City Council approval.

**Public hearing and discussion on appropriate ballot language for a Special Election to allow voters to vote for or against the adoption of a sales and use tax for economic development, under the provisions of Section 4B of the Development Corporation Act of 1979 (ART. 5190.6, V.T.C.S)(Councilman Reyna/Councilman Manea).**

Mayor Riley stated that this agenda item was an opportunity to hear and discuss the ballot language for a Special Election on November 4, 2008 to allow citizens to consider a sales and use tax for economic development. She invited Councilman Reyna to begin the discussion and asked Councilmembers to provide input.

Councilman Reyna provided some background about the proposed ballot language with the broad introductory paragraph and 78 specific projects that could be included on the ballot. He asked the Council and the audience for information on the proposed language so that the ballot could address 1/4 cent versus 1/8 cent, any sunset clause, and how specific the ballot language should be. Mr. Reyna stated that the Citizens Neighborhood Progress Committee had surveyed citizens and businesses last year and the list on the proposed ballot language was compiled from those surveys to include projects that could possibly be paid for by the 4B sales tax.

Councilmembers discussed their fear for lengthy ballot language, the need to educate the citizens about the tax, alternative language to shorten ballot language, whether to appoint the Economic Development Corporation before or after the election, and what projects are legally eligible for the 4B sales tax.

City Attorney McKamie stated that some items on the extended ballot language seem to be more a statement of policy, rather than identification of a project that could be eligible for funding under the 4B sales tax.

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Mayor Riley suggested alternative language that addressed city beautification, business retention and development, and developing a more sustainable quality of life.

City Manager Lambert stated that the City has failed to have the election pass three times and as Mr. Newman had described, there were projects that his city has been able to fund because of the tax, but that those projects were not known at the time of the tax election. He then asked Mr. Newman how the City can assure the citizens that the tax will fund projects that will be good for the City. Mr. Newman suggested that a list be included in educational materials of some projects that the City would like to consider if the tax is approved, but he added that the ED Corporation will have public hearing when it considers funding a project and Council has the ultimate approval on the projects. He also noted that in some cities, first ED Corporations included members of Council on the Corporation board.

Mayor Riley opened the public hearing at 8:13 p.m. and invited members of the audience to address Council about the issues.

Resident and Chairman of the Citizens Neighborhood Progress Committee (CNPC), Nancy Marin, expressed her concerns for limiting the language of the ballot and asked Mr. Newman for clarification on how the language could be expanded if limited to certain projects on the ballot, and he confirmed that a new election would be needed. She then asked Council's support for ballot language that will broadly include the types of projects and goals expressed from citizens input in surveys from the CNPC meetings a year ago, from meetings with the AIA last month and from answers provided by businesses and residents from a door-to-door survey.

Resident Esperanza Olvera addressed Council as a member of the CNPC stating that the language on the expanded ballot before Council included some 78 projects that were heard from the citizen and business surveys and she asked the City Attorney and City Council to narrow the list for the ballot.

Resident Rudy Garcia addressed Council stating that he felt encouraged that everyone was working together to generate additional City funds for projects that will enhance Leon Valley and he recommended the sales tax be for one-quarter of one cent (1/4 of one cent) rather than the one-eighth of one cent (1/8 of one cent). He stated that it will take \$8.00 of expenses to generate one penny of sales tax for economic development. He also stated that most of the shoppers in Leon Valley businesses reside outside of Leon Valley. He also asked Council to not consider a sunset clause, as he felt that the tax will expire naturally when the projects are completed.

Mayor Riley expressed her concerns from one business owner who stated that he may oppose the tax if it is for more than 1/8 of one cent, because then the sales tax in Leon Valley would be higher than the sales tax in San Antonio by 1/8 of one cent. Mayor Riley also expressed her concerns about a franchise tax that businesses are now paying. She also recommended that there also be an additional public hearing on this subject.

Resident Al Uvietta addressed Council stating that education must be inclusive to give the information on what the ED tax can do for Leon Valley to all of Leon Valley. Mayor Riley recommended that citizens may consider going door-to-door.

Resident Ray Olvera addressed Council stating that the ballot wording was very important and

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agreed that the education of the public was very important.

Resident Hubert Lange addressed Council stating that the last ED tax election resulted in complaints that the language was too general. He stated that Economic Development is an ongoing process and once projects are built, maintenance must also be funded. He recommended that actual costs be assigned to specific projects for the ballot language. Mr. Lange recommended that tax funds be used for redevelopment and that the City try to identify a town center and to promote connectivity that allows citizens to get around Leon Valley without always having to hop in the car.

Resident and Business Alliance Committee Chair Mike Davis addressed Council recommending broad ballot language as defined in the State's Economic Development Handbook and recommended the full 1/4 of one cent tax. He reiterated earlier statements saying that the extended ballot language was composed from results from citizen and business input on what is important for Leon Valley.

At the end of discussion from the public, and hearing no one else, Mayor Riley closed the public hearing at 9:05 p.m.

Mayor Riley encouraged everyone to learn from past failed elections, so that if an election is called, that the measure is successful. She thanked Mr. Newman, and all the speakers for their comments. She stated that no action would be taken at this meeting.

**Discussion Agenda**

**Discussion and update on AIA's preliminary SDAT meetings (Lambert).**

City Manager Lambert provided an update on the AIA's SDAT announcing the City had received a list of items that would be necessary for the SDAT's visit in the Fall to include: hotels, transportation, meeting spaces, work spaces, letters to stakeholders, and maps and plans that will help the team learn more about Leon Valley. Mayor Riley stated that the message from Erin Simmons, from the Center for Communities Design with the AIA, complimented Leon Valley for their citizen participation, the AIA's local chapter participation, and our schedule for the preliminary visit will be their model for future projects.

**City Manager's report (Lambert).**

City Manager Lambert announced that the Chief of Police would be holding an Open House for Crime Awareness Program on July 26, 2008 at 9:00 a.m. at City Hall. He reported that the City has not received any requests from Pavona Place residents to create a Neighborhood Watch Program for their neighborhood. He asked everyone to promote the Neighborhood Watch Program. Mayor Riley added that another Neighborhood Watch Program is scheduled for July 16, 2008 at 6:00 p.m. at City Hall and that this program was organized by resident Lupe Carpio.

Mr. Lambert also announced that revisions to the Park Ordinance will be brought back to the Park Commission and then to the City Council at the next meeting.

Mr. Lambert also announced a list of citizen concerns heard during the AIA's preliminary

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meetings with Leon Valley:

1. Rental Maintenance Ordinance - will require landlords to maintain rental properties which will require inspections before water is turned on for new renters.
2. An overlay zone - 1000 feet wide on either side of Bandera Road which would have additional development requirements.
3. Smoking Ordinance - prohibiting smoking as a followup to complaints
4. Address Enforcement - step up enforcement to insure that an identifiable address be on every business/residence, especially for emergency services.

**A. FY 2009 Budget Letter to Council**

Mr. Lambert stated that the budget must be adopted by the end of August and a workshop was needed to discuss TMRS issues, salary proposals and capital improvements included in the draft FY 2009 proposed budget. Council recommended a Saturday morning meeting and agreed on July 19, 2008 at 9:00 a.m.

Mr. Lambert provided a brief overview of the proposed budget highlights taking into account the CPI is now between 4.5% - 5.7%. He stated that the budget proposed a 3% COLA for employees, added a full time code enforcement officer from a temporary position, included increases for the group health insurances, increased fuel costs, and increased workers' comp. rates, and increases for the retirement system. He provided a general list of some of the major Capital Improvements planned including some renovations for City Hall Council Chambers, two new police vehicles, a fire truck, an electronic marquee at the Library/Centers' entrance, a traffic control box replacement, a portable generator, an upgrade water pump, and a backhoe. He reminded everyone of continuing decreasing sales tax revenue, but stated that the City did receive \$29,000 for street maintenance sales tax. He announced that he is not recommending any increases in normal budget expenses.

**B. Update on water restrictions**

Mr. Lambert also announced the press release effective this date for the Stage 1 of the Drought Management Program which will restrict watering. He encouraged everyone to conserve water and stated that the press release would be on the website and be available to the Press.

Mr. Lambert reminded everyone about the July 4<sup>th</sup> Parade details with the line-up at 9:15 a.m. for parade participants.

**Citizens to be heard.**

No one appeared to be heard.

**Announcements by Councilmembers and Mayor.**

Councilman Manea thanked everyone for their indulgence for his absence from the last City Council Meeting as he was out of town for a Rotary International Meeting.

Councilman Reyna stated that he was sorry he would not be able to attend the parade as he will

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be out of town and wished a happy holiday to everyone.

Mayor Riley stated that on June 28<sup>th</sup>, the MPO held another Walkable Community meeting where areas were mapped out for bike lanes and connectivity. She thanked MPO's Lydia Kelly, Interim Development Director Flores, and the City Manager for their work with this project.

Mayor Riley also reported on the Crystal Hills Park stating that the master plan development was continuing with another meeting on July 21<sup>st</sup> at 7:00 p.m. at City Hall. She encouraged everyone to send in their ideas to the City of San Antonio and to attend the July 21<sup>st</sup> meeting.

She announced the parade was to be held on July 4<sup>th</sup> and that there would be a patriotic concert for the public on July 6<sup>th</sup> with the Beethoven Band.

Mayor Riley also announced that she and the City Manager met with a developer about a mixed use property development and he would like to meet with Council to make a presentation. She announced that there would be meeting on Monday, July 14, 2008 at 4:00 p.m. at City Hall to hear the presentation.

**Adjourn.**

Hearing no further business, a motion was made by Councilman Reyna, seconded by Councilmember Baldrige, to adjourn the meeting. Hearing no objections, Mayor Riley announced the meeting adjourned at 9:42 p.m.

ATTEST:

Chris Riley

Mayor

Marie Feutz

City Secretary

*Approved by unanimous vote of City Council at the Regular City Council Meeting of July 15, 2008*